

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", no-s. 38/01, 18/03, 45/05 and 123/07), and Article 9 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" no-s. 52/05 and 91/07),

Privatization Agency announces:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on auction sale

Interested parties can purchase the auction documents at the price of **RSD 40.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory and on their receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents can be collected at the following address:

Privatization Agency, Belgrade, Terazije 23, 5th floor, from 09:00 to 16:30, in the period from 21.07.2008 until 10.09.2008.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 11.09.2008, BY 16:30.

Filled application, which is a part of the auction documents, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope marked with: „APPLICATION FOR PARTICIPATION IN THE PUBLIC AUCTION 190908, Privatization Agency, Belgrade, Terazije St. 23, 5th floor”.

IF THERE IS NAME OF THE PRIVATIZATION ENTITY ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

THE AUCTION WILL BE HELD ON: 19.09.2008

at the address: **Privatization Agency, Belgrade, Terazije 23, 2nd floor, Large Hall**, at **11:00**. Registration of the auction participants will be held at the same address on:

19.09.2008, from 09:00 to 10:50.

Means of payment can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings, which are due not later than the date of the capital sale (19.09.2008) issued to the individuals, who are citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can be even the state bonds based on the unpaid foreign currency savings, which are not due until the date of the capital sale (19.09.2008) issued to the individuals, who are citizens of the Republic of Serbia.

In case the first class bank guarantee has been submitted as the means of deposit payment, it has to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned within 21 days after the Public auction has been held.

The Privatization Agency keeps the right to change the auction date, as well as the deadline for the application submission if necessary, but also to inform the interested parties about such changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing of the Confidentiality Agreement in the period from 21.07.2008 until 10.09.2008.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on the preparation date of the Public invitation.*

** *The data on real estate of the privatization entity from this Public invitation are solely for the purpose of giving information, while the data on legal grounds, ownership type and right to them are presented in the auction documents.*

*** *The total operating income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.*

Brief description of the PUBLIC AUCTION procedure

Sale of capital by the Public auction is carried out by the Auction Commission, which is to be established by the Privatization Agency. The Commission supervises the capital sale by auction, registers auction participants, declares auction unsuccessful, signs the minutes and performs other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out are fulfilled, if at least one person has obtained the status of an auction participant and if it is presented personally or by an authorized representative. At the time ordered for the PUBLIC AUCTION opening, the auctioneer shall open the first bidding, when the means of payment can be in cash or due bonds. If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. In case that none of the interested buyers reacts after the third call for acceptance of the newly established price, the auctioneer

declares the auction finished by hammering. The selling price becomes the highest offered value, and the participant who has been the first to offer the highest price is declared a buyer. If there have not been interested parties after the announcement of the initial price, even after the third call, the auctioneer declares the first bidding unsuccessful by hammering and opens the second bidding immediately afterwards, when even undue state bonds can be the means of payment. Those who have applied for the second bidding can also participate, as well as the participants in the first bidding, in case it has been declared unsuccessful. If more than one person participates in the second bidding, the auctioneer announces the initial price, as well as each further increase. If none of the interested buyers reacts after the third call for acceptance of the newly established price, the auctioneer, by hammering, declares the auction closed. The selling price becomes the highest offered value, and

the participant who has been the first to offer the highest price, is declared a buyer. If after the announcement of the initial price there have not been any interested persons, even after the third call, the auction is declared unsuccessful, and the participants lose the right to be returned the deposit. If only one party who has obtained the auction participant status attends the second bidding, that party is invited three times to accept the initial price. If the party accepts the initial price, it is declared a buyer and the initial price becomes the selling price. If the participant does not accept the initial price, the auction is declared unsuccessful, and it loses the right to be returned the deposit.

1) Basic information on the privatization entity: Veterinary station TUTIN, TUTIN

| | | | |
|---|-----------|---|------------|
| Auction sale code: 190908-3120 | | The entire estimated capital value to be privatized amounts to: RSD 14.784.000 or * EUR 188.560 , which is 70 % of the total entity capital. | |
| Official ID number of the entity: 07175752 | | Deposit for participation in the auction: RSD 1.774.000 or * EUR 22.627 | |
| Field of work: Veterinary activities | | Initial price at the auction sale: RSD 3.548.000 | |
| Main assets of the privatization entity ** | | Minimum obligatory investments into the privatization entity amounts to: RSD 222.000 | |
| A) Buildings - main facilities (m²): 1. Building of veterinary station (229) 2. Family house (77) 3. Secondary facility in Namga (46) 4. Secondary facility in Ćerekare (54) | | B) Main equipment: 1) Passenger vehicle (Zastava 128) 2) Passenger vehicle (2 vehicles «Zastava Jugo») 3) Computer | |
| C) Land (m²): <i>Entire land: (11670581); Construction land: (5740) - state-owned; Agricultural land: (6099876) - state-owned; Woods: (5461493) - state-owned; Other land: (103472) - state-owned;</i> | | | |
| Balance sheet per year: | | 2006 | |
| Shown in: | | RSD | ***EUR |
| Total operating revenues | 9.654.000 | 114.785 | 10.079.000 |
| Total operating expenses | 9.563.000 | 113.703 | 10.008.000 |
| Main products/services: 1) Veterinary services | | | |
| Total number of employees: 8; of which BS/BA: 3 | | | |

2) Basic information on the privatization entity: Veterinary station MLADENOVAC, MLADENOVAC

| | | | |
|--|------------|--|------------|
| Auction sale code: 190908-3121 | | The entire estimated capital value to be privatized amounts to: RSD 76.209.000 or * EUR 972.003 , which is 70 % of the total entity capital. | |
| Official ID number of the entity: 07045921 | | Deposit for participation in the auction: RSD 9.145.000 or * EUR 116.640 | |
| Field of work: Veterinary activities | | Initial price at the auction sale: RSD 18.290.000 | |
| Main assets of the privatization entity ** | | Minimum obligatory investments into the privatization entity amounts to: RSD 601.000 | |
| A) Buildings - main facilities (m²): 1. Veterinary station Mladenovac (657) 2. Warehouse and canal with garage (168) 3. Surgery Velika Krsna (73) 4. Surgery Koraćica (68) | | B) Main equipment: 1) Goods vehicle (Skala 1,1 Poli LC) 2) Passenger vehicle (3 vehicles «Zastava Koral 1,1») 3) Computer (7 items) 4) Lawn mower (FS-120 Stil) 5) Fiscal cash-register (2 items) (Ei-STN) | |
| C) Land (m²): <i>Entire land: (12229); Construction land: (9038) - state-owned; Agricultural land: (3191) - state-owned;</i> | | | |
| Balance sheet per year: | | 2006 | |
| Shown in: | | RSD | ***EUR |
| Total operating revenues | 32.505.000 | 386.481 | 30.474.000 |
| Total operating expenses | 31.982.000 | 380.263 | 30.442.000 |
| | | | ***EUR |
| | | | 381.096 |
| | | | 380.696 |

Main products/services: 1) Treatment of animals 2) Prevention 3) Artificial insemination of animals 4) Meat inspection against trichinosis 5) Sale of drugs and food for animals
Total number of employees: 28; **of which BS/BA:** 11

3) Basic information on the privatization entity: Veterinary station LAJKOVAC D.O.O., LAJKOVAC

Auction sale code: 190908-3122

Official ID number of the entity: **07135661**

Field of work: **Veterinary activities**

The entire estimated capital value to be privatized amounts to: **RSD 6.209.000** or ***EUR 79.195**, which is **66,549 %** of the total entity capital.

Deposit for participation in the auction: **RSD 745.000** or ***EUR 9.503**

Initial price at the auction sale: **RSD 1.490.000**

Minimum obligatory investments into the privatization entity amounts to: **RSD 674.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Veterinary station (121) 2. Warehouse (64) 3. Veterinary station Jabučje (140)

B) Main equipment:

1) Passenger vehicle (Zastava 101) 2) Passenger vehicle (Jugo Skala) 3) Passenger vehicle (Jugo Koral 1,1) 4) Passenger vehicle (Zastava 101 skala 55 1,1) 5) Trichinoscope with monitor 6) Computer

C) Land (m²): *Entire land: (2277); Construction land: (2277) – state-owned;*

Balance sheet per year:

| Shown in: | 2006 | | 2007 | |
|--------------------------|------------|---------|------------|---------|
| | RSD | ***EUR | RSD | ***EUR |
| Total operating revenues | 9.706.000 | 115.403 | 10.309.000 | 128.921 |
| Total operating expenses | 10.167.000 | 120.885 | 9.682.000 | 121.079 |

Main products/services: 1) Wholesale of domestic animals, granular products, seeds, fodder and pharmaceutical products 2) Retail trade in pharmaceutical products, drugs and cosmetics, retail trade in shops of general goods 3) Sanitary protection 4) Prescription and preparation of drugs

Total number of employees: 9; **of which BS/BA:** 3

4) Basic information on the privatization entity: Socially-owned enterprise HERT COMMERCE, BELGRADE

Auction sale code: 190908-3123

Official ID number of the entity: **07915497**

Field of work: **Wholesale of textile**

The entire estimated capital value to be privatized amounts to: **RSD 14.322.000** or ***EUR 182.664**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 1.719.000** or ***EUR 21.920**

Initial price at the auction sale: **RSD 3.437.000**

Minimum obligatory investments into the privatization entity amounts to: **RSD 21.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Office premises, Osmia Sutjeska St. 25, Belgrade (140)

B) Main equipment:

1) Office equipment

C) Land (m²):

Balance sheet per year:

| Shown in: | 2006 | | 2007 | |
|--------------------------|------------|---------|------------|---------|
| | RSD | ***EUR | RSD | ***EUR |
| Total operating revenues | 25.126.000 | 298.746 | 26.402.000 | 330.174 |
| Total operating expenses | 22.593.000 | 268.629 | 22.153.000 | 277.037 |

Main products/services: 1) Wholesale of textile

Total number of employees: 4; **of which BS/BA:** 2

5) Basic information on the privatization entity: Socially-owned enterprise for domestic and foreign trade VEKTOR, BELGRADE

Auction sale code: 190908-3124

Official ID number of the entity: **07745559**

Field of work: **Wholesale of heating equipment**

The entire estimated capital value to be privatized amounts to: **RSD 6.375.000** or ***EUR 81.314**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 765.000** or ***EUR 9.758**

Initial price at the auction sale: **RSD 1.530.000**

Minimum obligatory investments into the privatization entity amounts to: **RSD 60.000**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Office premises, Kneza Danila St. 12, Belgrade (35)

B) Main equipment:

1) Passenger vehicle (Hyundai Lantra) 2) Passenger vehicle (Volvo) 3) Office equipment

C) Land (m²):

Balance sheet per year:

| Shown in: | 2006 | | 2007 | |
|--------------------------|------------|---------|------------|---------|
| | RSD | ***EUR | RSD | ***EUR |
| Total operating revenues | 25.154.000 | 299.079 | 23.335.000 | 291.819 |
| Total operating expenses | 24.084.000 | 286.356 | 23.062.000 | 288.405 |

Main products/services: 1) Wholesale of metal goods
Total number of employees: 4; **of which BS/BA:** 2

6) Basic information on the privatization entity: Socially-owned enterprise for trade and services DOM DRUŠTVENIH ORGANIZACIJA, KRALJEVO

Auction sale code: 190908-3125

Official ID number of the entity: **07102267**

Field of work: **Real estate rent**

Main assets of the privatization entity **

A) Buildings – main facilities (m²):

1. Office building (3665)

The entire estimated capital value to be privatized amounts to: **RSD 114.056.000** or ***EUR 1.454.718**, which is **70 %** of the total entity capital.

Deposit for participation in the auction: **RSD 13.687.000** or ***EUR 174.566**

Initial price at the auction sale: **RSD 27.374.000**

Minimum obligatory investments into the privatization entity amounts to: **RSD 801.000**

B) Main equipment:

1) Passenger vehicle (Felicia) 2) Boiler room 3) Heating network 4) Lift 5) Office equipment and furniture 6) Restaurant furniture and fittings and dishes

C) Land (m²): *Entire land: (3275); Construction land: (3275) – state-owned;*

Balance sheet per year:

| | 2006 | | 2007 | |
|--------------------------|-------------|---------|-------------|---------|
| Shown in: | RSD | ***EUR | RSD | ***EUR |
| Total operating revenues | 21.077.000 | 250.603 | 20.947.000 | 261.955 |
| Total operating expenses | 21.542.000 | 256.132 | 21.667.000 | 59.164 |

Main products/services: 1) Real estate rent

Total number of employees: 23; **of which BS/BA:** 2